

REMARKS/ARGUMENTS

In response to the Office Action dated June 27, 2006, while Applicants do not necessarily agree with the examiner's position, Applicants have herein amended the claims, as previously suggested by the examiner, to recite that step (a) of claim 1 involves " forming a carbon steel alloy having a microstructure **consisting of** laths of martensite alternating with from about 0.5% to about 15% by volume of films of retained austenite" (emphasis added). Based on the prosecution of this application, said amendment renders the present claims unobvious from the cited art, both in general, and with respect to the rejections of claims for double patenting.

Claim 1 has also been amended to state that the cold working of the carbon steel alloy is conducted **without intermediate heat treatment**. This language is taken from the specification at page 5 line 29 - page 6 line 4, and is considered properly supported.

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, for instance, to revise the claim language, she is encouraged to telephone the undersigned.

Respectfully submitted,

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